

UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA :

v. :

NICHOLAS STANLEY, :

Defendant :

CRIM NO. 3:19 CR 111

INDICTMENT

FILED
SCRANTON
APR 02 2019
PER [Signature] DEPUTY CLERK

THE GRAND JURY CHARGES:

At times material to the Indictment:

1. The defendant, NICHOLAS STANLEY, was the owner of Nick Stanley Paving, Inc., located in Dalton, Pennsylvania;
2. Beginning in 2010, STANLEY was the subject of an investigation by the Internal Revenue Service ("IRS");
3. From on or about September 12, 2011, to on or about December 3, 2012, STANLEY was notified of outstanding income tax liabilities totaling approximately \$1,062,312.10 for tax years 2005 to 2011. In November of 2012, a revenue officer was assigned to collect STANLEY's outstanding tax liabilities;
4. Mohegan Sun Pocono Casino, located in Wilkes-Barre,

Pennsylvania, is a domestic financial institution required to report any cash transactions exceeding \$10,000.00 under 31 U.S.C. § 5313(a);

5. WinStar World Casino, located in Thackerville, Oklahoma, is a domestic financial institution required to report any cash transactions exceeding \$10,000.00 under 31 U.S.C. § 5313(a);

6. Sands Casino, located in Bethlehem, Pennsylvania, is a domestic financial institution required to report to any cash transactions exceeding \$10,000.00 under 31 U.S.C. § 5313(a);

COUNT ONE
26 U.S.C. § 7201
(Evasion of Tax Payment)

7. From 2010 to the present, in Luzerne County, Pennsylvania, in the Middle District of Pennsylvania, and elsewhere, the defendant,

NICHOLAS STANLEY,

did willfully attempt to evade and defeat the payment of substantial income tax due and owing by him to the United States of America for the calendar years 2005 to 2011. As part of a continuous course of conduct to attempt to evade payment of that tax due and owing, STANLEY took the following affirmative acts, among others:

8. In or about 2010 to in or about 2011, while under audit for tax

years 2005 through 2009, STANLEY cashed approximately twenty-five checks of over \$10,000.00 with a private check cashing business. On approximately nineteen of those occasions, STANLEY provided a false social security number to the check cashing business by transposing the last two digits of his social security number;

9. In or about 2011, STANLEY provided Sands Casino, located in Bethlehem, Pennsylvania, with a false social security number by transposing the last two digits of his social security number;

10. On or about October 23, 2011, at the Mohegan Sun Pocono Casino, STANLEY and two other individuals cashed in chips in the amount of approximately \$30,000.00 via multiple transactions at or below \$10,000.00;

11. In or about 2012, STANLEY cashed checks in the amount of approximately \$351,708.00 at a private check cashing business;

12. In or about 2012, STANLEY frequented multiple casinos, making cash purchases in the amount of approximately \$2,292,180.00 and receiving cash back from the casinos in the amount of approximately \$1,581,753.00. STANLEY failed to notify the IRS of his expenditure and receipt of any of this cash;

13. On or about April 12, 2012, at the Mohegan Sun Pocono Casino, STANLEY cashed in chips via multiple transactions at or below \$10,000.00;

14. On or about December 9, 2012, at the Mohegan Sun Pocono Casino, STANLEY and another individual cashed in chips in the amount of \$13,000.00 via multiple transactions at or below \$10,000.00;

15. Between 2012 and 2015, STANLEY won over \$500,000.00 from Sands Casino, located in Bethlehem, Pennsylvania. On five occasions, STANLEY signed forms W-2G, "Certain Gambling Winnings," used to report gambling winnings to the IRS, that provided a false social security number due to the last two digits of his social security number being transposed;

16. On or about January 6, 2013, STANLEY signed and subsequently supplied to the IRS, a Form 433-B, "Collection Information Statement for Business," that claimed falsely that STANLEY had a net income from business activity of \$10,628.00 per month and \$500.00 cash on hand. Stanley listed an offered payment of \$2,000.00 per month to pay off his assessed IRS tax liabilities;

17. On or about January 15, 2013, STANLEY signed and

subsequently supplied to the IRS, a Form 433-A, "Collection Information Statement for Wage Earners and Self-Employed Individuals," that claimed falsely that STANLEY had a net income from business activity of \$12,000.00 per month, personal expenses as \$10,500.00, one checking account with a balance of \$3,264.00 and \$500.00 cash on hand;

18. On January 22, 2013, STANLEY traveled 220 miles roundtrip to cash an approximate \$22,500.00 check at the issuer's bank. He received the check following the sale of a vehicle on or about December 20, 2012;

19. On or about July 19, 2013, STANLEY provided the WinStar World Casino, located in Thackerville, Oklahoma, with a false social security number;

20. In or about 2013, STANLEY cashed checks in the approximate amount of \$304,738.00 at a private check cashing business;

21. In or about 2013, STANLEY frequented multiple casinos, making cash purchases in the amount of approximately \$2,017,945.00 and receiving cash back from the casinos in the amount of approximately \$2,003,815.00. STANLEY failed to notify the IRS of his expenditure and receipt of any of this cash;

22. From in or about 2013 to in or about 2017, STANLEY registered and titled approximately nine vehicles in the name of Danielle Marie Stanley or Danielle McNally;

23. The Grand Jury incorporates by reference the transactions as described in the succeeding count of this Indictment as additional affirmative acts.

All in violation of Title 26, United States Code, Section 7201.

THE GRAND JURY FURTHER CHARGES:

COUNT TWO

31 U.S.C. § 5324(a)(3)

(Structuring Transactions to Evade Reporting Requirement)

24. On or about July 15, 2013, in Luzerne County, Pennsylvania, within the Middle District of Pennsylvania, the defendant,

NICHOLAS STANLEY,

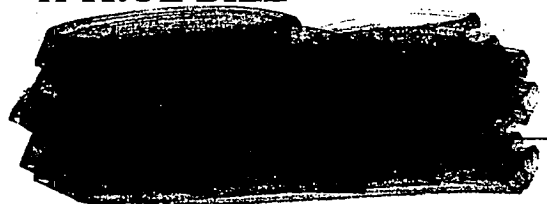
did knowingly structure, attempt to structure, and assist in structuring transactions with one or more domestic financial institutions, for the purposes of evading the currency transaction reporting requirements imposed upon domestic financial institutions, by engaging in the following financial transactions:

| Time of Transaction | Financial Institution | Location of Transaction | Amount |
|---------------------|--|-------------------------|----------|
| 19:09-19:11 | Mohegan Sun Casino 1289 Highway 315 Wilkes-Barre, PA 18702 | Cage 2, Window 3 | \$9,000 |
| 19:11-19:13 | Mohegan Sun Casino 1289 Highway 315 Wilkes-Barre, PA 18702 | Cage 2, Window 1 | \$7,000 |
| 19:13-19:15 | Mohegan Sun Casino 1289 Highway 315 Wilkes-Barre, PA 18702 | Cage 1, Window 1 | \$10,000 |
| 19:20-19:21 | Mohegan Sun Casino 1289 Highway 315 Wilkes-Barre, PA 18702 | Cage 1, Window 2 | \$4,000 |

In violation of Title 31, United States Code, Section 5324(a)(3).

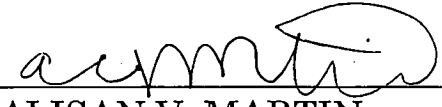
A TRUE BILL

04/02/2019
DATE



DAVID J. FREED
UNITED STATES ATTORNEY

4/2/2019
DATE

BY: 
ALISAN V. MARTIN
ASSISTANT U.S. ATTORNEY